

# Repairing the rungs on the ladder

How to prevent a virtuous meritocracy entrenching itself at the top



**"MERITOCRACY"** tends to be spoken of approvingly these days. Its ascendancy is seen as a measure of progress. In the dark ages, the dumb scions of the aristocracy inherited their seats on cabinets and on the boards of great companies.

These days, people succeed through brains and hard work.

Yet the man who invented the word meant it as a pejorative term. In "The Rise of the Meritocracy", published in 1958, Michael Young, a British sociologist and Labour Party activist, painted a futuristic picture of a dystopian Britain, where the

class-based elite had been replaced with a hierarchy of talent. Democracy was dispensed with. Clever children were siphoned into special schools and showered with resources. The demoralised talentless masses eventually revolted.

The world is starting to look a bit like Young's nightmare vision. The top 1% have seen their incomes soar because of the premium that a globalised high-tech economy places on brainy people. An aristocracy that gambled its money away on "wine, women and song" has been replaced by a business-school-educated elite whose members marry one another and spend their money wisely on Mandarin lessons and Economist subscriptions for their children.

It is, of course, good that money flows to talent rather than ►

► connections, and that people invest in their children's education. But the clever rich are turning themselves into an entrenched elite. This phenomenon—call it the paradox of virtuous meritocracy—undermines equality of opportunity.

## A very American paradox

This is happening throughout the rich world, where elites have proved remarkably adept at passing on privilege down the generations (see page 75). But it is most acute in America. Back in its Horatio Alger days, America was more fluid than Europe. Now it is not. Using one-generation measures of social mobility—how much a father's relative income influences that of his adult son—America does half as well as Nordic countries, and about the same as Britain and Italy, Europe's least-mobile places. America is particularly exposed to the virtuous-meritocracy paradox because its poor are getting married in ever smaller numbers, leaving more children with single mothers short of time and money. One study suggests that the gap in test scores between the children of America's richest 10% and its poorest has risen by 30-40% over the past 25 years.

American conservatives say the answer lies in boosting marriage; the left focuses on redistribution. This newspaper would sweep away tax breaks such as mortgage-interest deduction that help richer people, and target more state spending on the poor. But the main focus should be education policy.

Whereas most OECD countries spend more on the education of poor children than rich ones, in America the opposite is true. It is especially bad at early-childhood education, which can have a big influence on results later (see page 62): only one

four-year-old in six in America is in a public pre-school programme. Barack Obama has increased pre-school funding, but deeper change is needed. Because the school system is organised at the local level, and funded mainly through property taxes, affluent areas spend more. And thanks to the teachers' unions, America has been far less willing than, say, Sweden to open its schools to choice through vouchers.

In higher education stiff fees in America mean that many poor children never get to university, and too many of those who do drop out. Outdated affirmative-action programmes should give way to schemes to help students based on the poverty of the applicant rather than the colour of his skin.

As for the rich strivers, there is nothing that you can, or should, do to stop people investing in their children, but you can prevent them from unfairly adding to their already privileged position. For instance, standardised tests were supposed to favour the brainy, but the \$4.5 billion test-prep industry, which disproportionately caters to the rich, indicates that this is being gamed. Intelligence tests should be more widely used. The other great unfairness has to do with the preferences that elite American universities give to well-connected children, either because their parents went to the university themselves or because they have given money. An educational institution should focus on attracting the best people, and then work out how to finance the poorer people in that category.

None of these things will stop rich couples who invest in the children having an advantage. But they may stop that advantage being as insurmountable as it is today, and thus prevent Michael Young's ugly fantasy from becoming real. ■